



**This form is to be used in conjunction with a rule review when ancillary documents are also being reviewed as part of the review process.**

Ancillary documents are interpretive or policy statements that advise the public of the Department's opinions, approaches, or likely course of action. They include documents such as Excise Tax Advisories (ETAs), Property Tax Bulletins (PTBs), and Revenue Policy Memorandums (RPMs). Ancillary documents do not have the "force of law" that a rule is given under the Administrative Procedures Act (Chapter 34.05 RCW). Court decisions, Board of Tax Appeals decisions (BTA), and Washington Tax Decisions (WTDs) **are not** ancillary documents.

Reviewer: Ed Ratcliffe Date Reviewed: 9/18/2000

Ancillary Document being reviewed  
(provide number and title): **Audit Directive 8146.1A – Audits of Banks and Other Financial Institutions**

Date last Issued: **August 20, 1987**

This document is being reviewed in conjunction  
with (provide WAC number and title): **WAC 458-20-146 (National and state banks, mutual savings banks, savings and loan associations and other financial institutions)**

Purpose of the document: **The audit directive provides direction regarding the deduction for first mortgage interest as it applies to mortgage-backed securities. It cautions the reader to take a "close look" at exempt interest to determine whether the amounts are from the ownership of exempt securities or the trading of these securities, but does not clarify the difference in treatment if the amount is from trading versus ownership.**

Is the document clearly written? 

Yes <b>X</b>	No  
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Does the document provide accurate and useful information? 

Yes  	No <b>X</b>
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	Yes	No
Does the document provide information not currently in the rule?	<input checked="checked" type="checkbox"/>	<input type="checkbox"/>

<b>Review recommendation:</b>	A. Update	<input type="checkbox"/>
	B. Repeal	<input checked="checked" type="checkbox"/>
	C. Leave as is	<input type="checkbox"/>
	D. Incorporate into rule and repeal	<input type="checkbox"/>

Briefly explain your recommendation:

**This audit directive is outdated. Subsequent published determinations of the Department have addressed the treatment of interest for mortgage backed securities (e.g., Det. 89-460, 8 WTD 241 (1989)).**

<b>Manager Action:</b>	<input type="checkbox"/> Accepted recommendation	Date: _____
	<input type="checkbox"/> Returned for further review	Date: _____

Comments \_\_\_\_\_